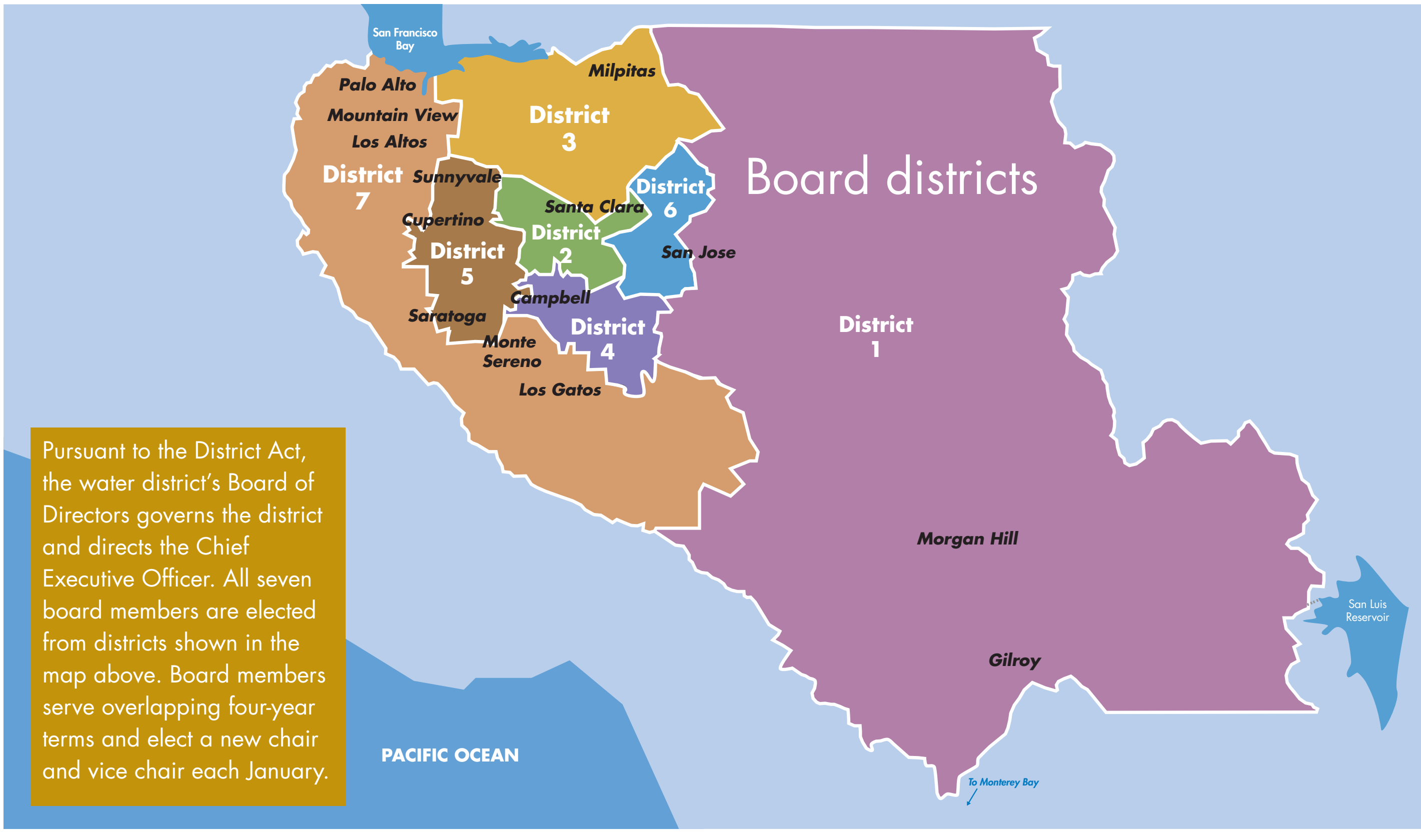
Santa Clara Valley
Water District

Annual Report

FY 2011-12

The mission of the district is to provide for a healthy, safe and enhanced quality of living in Santa Clara County through watershed stewardship and comprehensive management of water resources in a practical, cost-effective and environmentally sensitive manner for current and future generations.



Pursuant to the District Act, the water district's Board of Directors governs the district and directs the Chief Executive Officer. All seven board members are elected from districts shown in the map above. Board members serve overlapping four-year terms and elect a new chair and vice chair each January.

District at a glance

Cities served: 15
Water retailers served: 12
Population served: 2 million residents and commuters
Budget: $312.6 million
Water used in the county: Approximately 370,000 acre-feet (AF)
Water imported: 196,699 AF

Groundwater recharged: 108,000 AF
Reservoirs: 10, combined capacity of 169,000 AF
Treatment plants: 3, delivered 137,976.5 AF
Pumping plants: 3
Miles of streams maintained: 275
Miles of pipelines: 143

CEO message

Thank you for taking the time to review our Annual Report. This report highlights the many ways the water district worked in 2011-12 to protect and enhance the water resources we all depend on, whether it's through providing a safe, clean supply of water, protecting homes, roads and businesses from flooding, or providing environmental stewardship of our local creeks and rivers.

Our goal, as always, is to provide quality service to the community in a cost-efficient manner. I am proud of the many ways our highly technical and professional staff quietly go about achieving remarkable results in the face of enormous challenges. You can learn more about those challenges and our successes in the following pages.

Protecting homes and business from flooding is one of the critical services we provide. In 2011-12 the district celebrated the completion of the Calabazas Creek Flood Protection Project, protecting 400 parcels and an estimated $11 million in damages from a potential 1 percent flood. The district also substantially completed the Upper Guadalupe Reach 6 project near downtown San Jose, and made significant progress on the second and third phases of a six-phase project along the Lower Silver Creek. When completed, that project will protect nearly 3,800 homes and businesses.

The health of our creeks and stream ecosystems are another major focus of the district's mission. We do this by incorporating an environmental stewardship approach into our projects. It is also why, in 2011-12, we began devoting significant resources to the ongoing challenge of illegal encampments along our waterways, and addressing the effects of the naturally occurring toxic metal mercury, especially in the Guadalupe Watershed. In addition, we support the work of our partners throughout the community with our Environmental Enhancement and Watershed Stewardship grant program.

Recognizing the critical importance of maintaining and improving the infrastructure necessary to acquire, store and deliver safe, clean water, the water district has committed to an aggressive schedule of maintenance and upgrades of our three treatment plants and distribution pipelines. In addition, the seismic stability of our aging dams is a significant effort that began with initiation of the Anderson Sam Seismic Retrofit Project.

Managing our water supply depends on more than pipes, pumps and dams, however. In Santa Clara County, about 40 percent of our water is imported from state and federal systems that rely on moving water through the Sacramento-San Joaquin Delta. That is why the water district is actively involved in efforts to find a long-term solution for a reliable, sustainable Delta ecosystem.

Looking to the future, the district is partnering with the cities of San José and Santa Clara on the construction of the Silicon Valley Advanced Water Purification Center, a state-of-the-art facility that will produce up to 8 million gallons of highly purified recycled water. Along with our conservation programs and the efforts of the community use water efficiently, we are well on our way to achieving our goal of reducing future water needs by 20 percent.

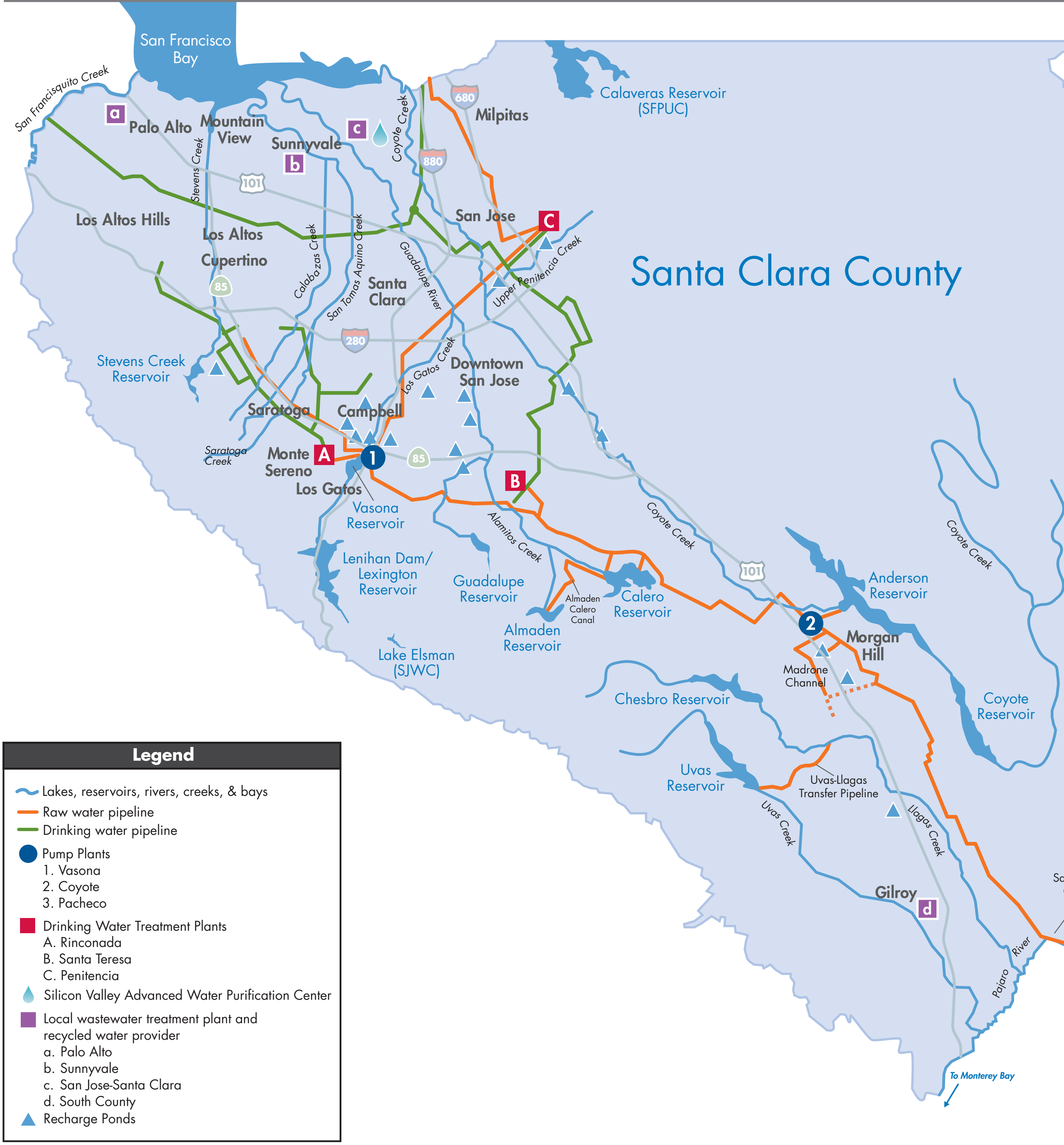
We could not accomplish any of these important goals without the effective management of the public funds entrusted to us. From our innovative resource management, to our continued effort at efficient staffing and service delivery, including labor agreements with employees that save more than $11 million over the next three years, we are committed to operating in an open, transparent and accountable manner.

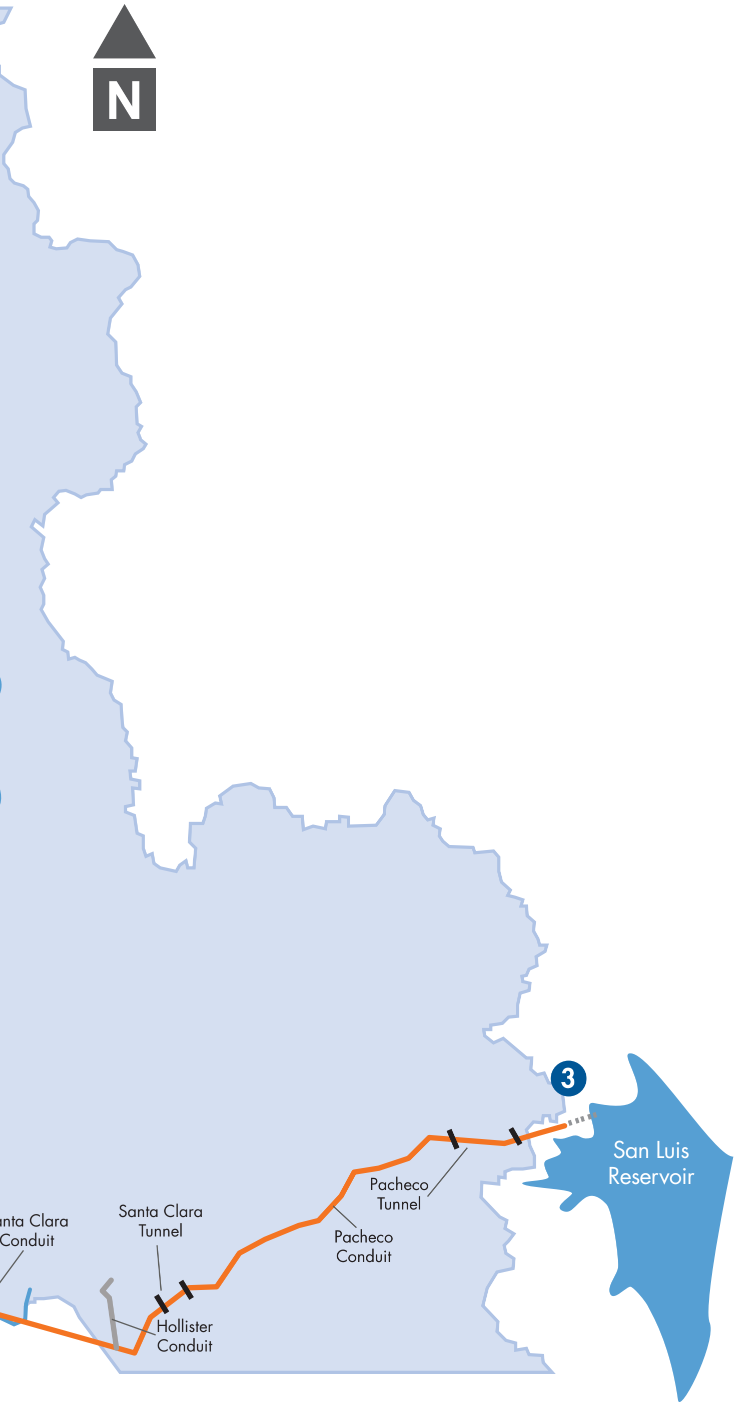
We take that responsibility seriously, and will continue to review and improve our systems to better serve the public. To demonstrate that commitment, we will continue to provide information in an open and transparent manner, as is evidenced by the availability of the financial summaries in this report, our annual "Budget in Brief" document, our Quarterly Performance reporting, and the posting of our complete operating budget and Capital Improvement Program on the our website, www.valleywater.org.

I encourage you to visit that website and learn more about the water district, the ways you can stay informed and involved, and, when it comes to local water resources, how the district works every day on "Protecting Your Future."

Beau Goldie
Chief Executive Officer

Overview


San Francisco Bay
San Francisquito Creek
a
Palo Alto
Mountain View
Stevens Creek
Sunnyvale
b
c
Coyote Creek
680
Milpitas
880
Calaveras Reservoir (SFPUC)
101
Los Altos Hills
Los Altos
Cupertino
Calabazas Creek
San Tomas Aquino Creek
Guadalupe River
Santa Clara
San Jose
C
Upper Penitencia Creek
Santa Clara County
85
280
Stevens Creek Reservoir
Los Gatos Creek
Downtown San Jose
Saratoga
Campbell
Saratoga Creek
Monte Sereno
A
1
85
Los Gatos
B
Vasona Reservoir
Alamitos Creek
Coyote Creek
Lenihan Dam/ Lexington Reservoir
Guadalupe Reservoir
Almaden Calero Canal
Calero Reservoir
101
Anderson Reservoir
Coyote Creek
2
Almaden Reservoir
Lake Elsman (SJWC)
Morgan Hill
Madrone Channel
Chesbro Reservoir
Coyote Reservoir
Uvas Reservoir
Uvas-Llagas Transfer Pipeline
Uvas Creek
Llagas Creek
Gilroy
d
Pajaro River
To Monterey Bay
Legend
Lakes, reservoirs, rivers, creeks, & bays
Raw water pipeline
Drinking water pipeline
Pump Plants
1. Vasona
2. Coyote
3. Pacheco
Drinking Water Treatment Plants
A. Rinconada
B. Santa Teresa
C. Penitencia
Silicon Valley Advanced Water Purification Center
Local wastewater treatment plant and recycled water provider
a. Palo Alto
b. Sunnyvale
c. San Jose-Santa Clara
d. South County
Recharge Ponds



The Santa Clara Valley Water District manages an integrated water resources system that includes the supply of clean, safe water, flood protection and stewardship of streams on behalf of Santa Clara County's 1.8 million residents. The district effectively manages 10 dams and surface water reservoirs, three water treatment plants, a state-of-the-art water quality laboratory, nearly 400 acres of groundwater recharge ponds and more than 275 miles of streams. We provide wholesale water and groundwater management services to local municipalities and private water retailers who deliver drinking water directly to homes and businesses throughout Santa Clara County.

The cities and towns served by the water district are: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale.

The district's highest-level priorities are encompassed in three board policies:

- **Reliable, Clean Water:** There is reliable, clean water supply for current and future generations
- **Natural Flood Protection:** There is a healthy and safe environment for residents, business and visitors, as well as for future generations.
- **Healthy Creeks and Ecosystems:** There is stewardship of our water resources to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County

Clean, Reliable Water

Investing in infrastructure for safety and reliability

Maintenance crews replace an expansion joint in the clearwell bypass vault at Penitencia Water Treatment Plant. The old joint began leaking following the plant's annual shutdown and was critical enough to schedule another shutdown before high flow season.

The district's water treatment plants and pipelines are hard at work 24/7. In FY 2011-12, the district delivered nearly 139,000 acre-feet of treated water and recharged the groundwater basin with 108,000 acre-feet of water.

Many of our water treatment and distribution facilities are more than 40 years old. Keeping them reliable requires a regular schedule of preventive maintenance activities and modernization projects.

Each winter, when drinking water demands are lower, the district schedules maintenance, inspection, repairs and capital improvements for our treatment plants and pipelines. One major capital project carried out in 2011-12 was the Rinconada Water Treatment Plant's Primary Electrical System Improvement. The entire plant was shut down for various lengths of time during the winter of 2011-12 to replace the main transformers, breakers, electrical panels, pump system valves, and actuators. As part of this construction work, a permanent structure was built to house the plant's standby power generator. The total construction contract cost for this project is nearly $4 million.

Some of the major water treatment plant capital project work undertaken during the year was:

- Construction of a new maintenance building at the Penitencia Water Treatment Plant
- Design of improvements to the residuals management system at the Rinconada Water Treatment Plant
- Completion of planning for the Reliability Improvement project at the Rinconada Water Treatment Plant

Among the significant pipeline repair and maintenance work carried out during the year are inspection, rehabilitation and/or repair of the pipelines listed below. Rehabilitation includes replacement of all mechanical appurtenances and repair of any internal cracks.

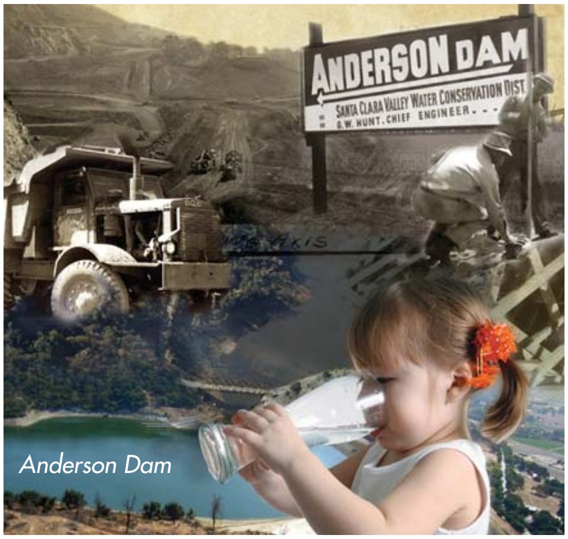
- East Pipeline from the Milpitas Line Valve to the Patt Line Valve
- Penitencia Delivery Main
- Penitencia Force Main
- Central Pipeline Repair at Hwy 87

Anderson Dam Seismic Retrofit Project initiated

The district completed a seismic stability evaluation of Anderson Dam, which was built in 1950 and forms the county's largest reservoir. The findings indicate that part of the dam could experience significant slumping if a 7.25 magnitude earthquake were to occur on the Calaveras Fault within two kilometers of the dam. As a public safety measure, the reservoir water level will be kept at 45 feet below the dam crest until the dam is rehabilitated.

Following the findings, the district initiated the Anderson Dam Seismic Retrofit Project to modify the dam so that it can withstand large earthquakes and allow the reservoir to be safely filled to its capacity. The project includes seismic retrofit of the dam embankment, the replacement of the existing dam outlet works, and enlarging the spillway to address new probable maximum flood requirements. The project entails planning, design and construction, and is expected to be completed by the end of 2018.

The Anderson Dam seismic retrofit work is part of the district's comprehensive dam safety program that includes completing seismic safety evaluations on eight of the district's 10 dams and implementing capital improvements to achieve seismic stability as per the Federal Energy Regulatory Commission and the state's Division of Safety of Dams requirements.


ANDERSON DAM
SANTA CLARA VALLEY WATER CONSERVATION DIST.
G.W. HUNT, CHIEF ENGINEER

Anderson Dam

Working towards a sustainable Delta

Sacramento-San Joaquin Delta

Santa Clara County relies on water directly conveyed through the Sacramento-San Joaquin Delta to meet, on average, 40 percent of its annual water needs. It is critical that these imported water supplies be maintained, not only to meet annual water demands, but also to sustain the county's groundwater basins and prevent recurrence of groundwater subsidence and salt-water intrusion.

Toward this end, district staff has actively participated for the past six years in developing the Bay Delta Conservation Plan (BDCP), a habitat conservation plan aimed at restoring both the Delta ecosystem and water supply reliability, consistent with the goals of the 2009 Delta Reform Act. Since then, both the governor and the secretary of the interior announced details of a proposed project to be evaluated, along with other alternatives, in the environmental review process.

To help educate the public about the long-term Delta solution and its importance to Santa Clara County, and to allow the board to hear different perspectives first-hand, three board workshops were conducted in FY 2011-12. Invited state and federal agency representatives, stakeholders from the environmental community, agricultural and urban water districts, and Delta counties shared their views on Delta ecosystem restoration, Delta conveyance and water supply reliability, and other major issues.

Clean, Reliable Water

Silicon Valley Advanced Water Purification Center—the majority of construction took place during FY 2011-12.

Moving forward with high-quality recycled water

The district and the cities of San José and Santa Clara broke ground on the Advanced Water Treatment Facility in October 2010. The facility—renamed in 2012 as the Silicon Valley Advanced Water Purification Center—will produce up to 8 million gallons per day of highly purified recycled water when completed in 2013. The advanced treatment processes will consist of microfiltration, reverse osmosis and ultraviolet disinfection.

The purified water will be blended into existing recycled water produced by the adjacent San José–Santa Clara Regional Wastewater Facility to enhance overall recycled water quality. This enhanced blend of water will help expand non-potable industrial and landscape use. During this year, the district also undertook a study to consider how this highly purified water might be used in future for groundwater recharge or other indirect potable uses, similar to programs currently operated in Southern California.

The total cost of the facility is $68 million and the district, which is the largest funder with $43.5 million, will own and operate the new treatment facility. The San José–Santa Clara Regional Wastewater Facility, which is administered by the City of San José, provided $11 million in support and a lease for the facility lands. The project also received $8.2 million from the Federal Recovery Act, $3 million from state Proposition 50 grant funding and $2.4 million from Proposition 84 funding.

Continuing water conservation helps manage dry local year

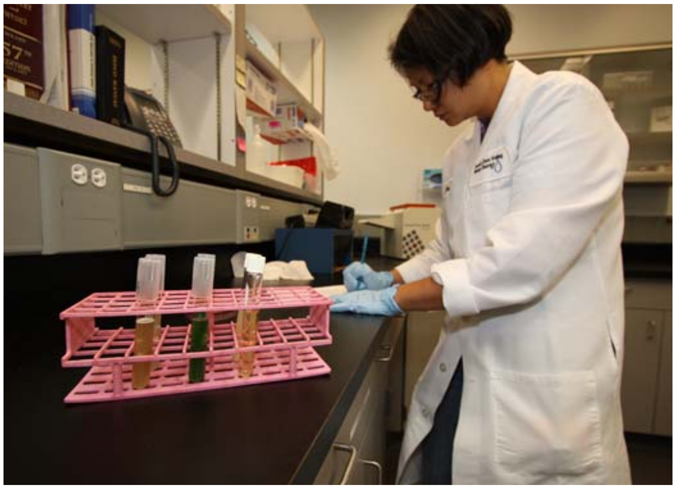
Due in large part to continuing conservation, reasonable imported water supplies, and healthy groundwater reserves, 2012 water supplies were sufficient to meet demands even though local rainfall was well below average and local watershed conditions were dry. The district continued its outreach to residents and businesses to convey the importance of using water efficiently. Through implementation of long-term programs, the district worked with water users and its retail water agencies to achieve 54,200 acre-feet of water savings in FY 2011-12. Water conservation is a key part of the district's core business and vital to planning a future reliable water supply. By 2030, investments in water conservation are expected to reduce future water needs by 20 percent.

This year, the district was honored to receive the 2012 Silicon Valley Water Conservation Award for its leadership as a large agency promoting conservation. The district works closely with its retail water agencies to provide sustainable, cost-effective and comprehensive water conservation programs. The district also continues to develop innovative programs that use new and emerging technologies to improve program efficiency and effectiveness, and to help minimize environmental impacts.

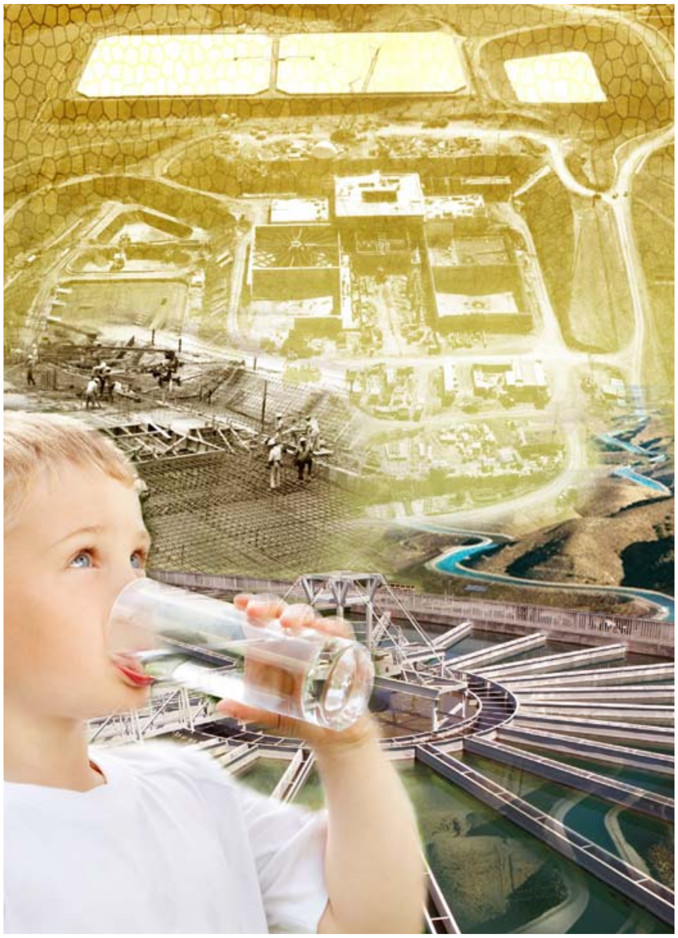
Ensuring water quality

Through continuous monitoring and daily laboratory testing, the district makes sure the treated water from imported and local water sources is healthy and safe. The district's three surface water treatment plants utilized advanced treatment technologies to produce high-quality drinking water that consistently met all applicable drinking water regulatory standards.

In FY 2011-12, the district's state-of-the-art laboratory conducted more than 154,600 water quality tests on treated water and on groundwater. Groundwater samples were collected from 70 wells countywide and tested for more than 90 parameters. The district also evaluated data collected at more than 220 wells by local water retailers.



Water quality testing at our state-of-the-art laboratory



Rinconada—our oldest water treatment plant providing high-quality drinking water

Water delivered from our three drinking water treatment plants met, and in most cases surpassed, all state and federal health-based drinking water standards. The planning phase for a major upgrade to our oldest water treatment plant, Rinconada, was completed in June of 2012. The project objectives are to improve the Rinconada Water Treatment Plant's reliability by replacing or upgrading all the major plant components and ensuring it can always meet consumer demand. Design of the new facilities, which will include raw water ozonation, coagulation/flocculation, plate settler clarification, dual-media filtration, and disinfection began in February 2013. Groundwater from nearly all wells tested in FY 2011-12 also met health-based standards with few exceptions, indicating that groundwater pumped by well owners is generally of high quality. The district offers free well testing and advice for private well owners on how to deal with water quality problems. The reports can be found on our website.

The district continues to make progress towards fluoridation of our drinking water (on Nov. 15, 2011 the board adopted a policy to provide fluoridated water at the district's three treatment plants). District staff has negotiated external funding sources for the project which will provide reimbursement of part of the district's cost for the planning, design and construction of fluoridation facilities.

Natural Flood Protection

As Santa Clara County has grown, so has the need for flood protection. Through stream maintenance and flood protection projects, the district has worked hard to protect homes, businesses, schools, streets and highways from flooding.

Since the early 1980s, the district has invested more than $1 billion in flood protection programs, and has protected more than 97,000 properties from the 1 percent flood. To maintain the conveyance capacity of our streams, the district removed nearly 40,000 cubic yards of sediment from our local waterways in FY 2011-12.

Balancing the needs for flood protection and protection of streams as natural resources, the district employs technologies that help keep creeks as natural as possible. New, multipurpose projects combine flood protection with habitat enhancement and recreation.

Over the past year, the district made significant progress on two major flood protection projects on Calabazas Creek along the Saratoga/San Jose border and Lower Silver Creek in East San Jose, along with a stream gauge and weir installation project which allows for floodwater monitoring along Coyote Creek in Coyote Valley.

Calabazas Creek Flood Protection Project

In October 2011, the district celebrated the completion of the Calabazas Creek Flood Protection Project, the first of nine Clean, Safe Creeks and Natural Flood Protection special parcel tax projects to be completed. Calabazas has a long history of flooding. Significant flooding occurred in the project area in 1955, 1958, 1963, 1968 and 1998.

Construction included the demolition and widening of a Union Pacific Railroad bridge in Saratoga, which was the primary work completed in FY 2011-12.

The project, which began in 2003, also included bank erosion repairs at ten sites, construction of a flood detention area adjacent to the creek south of Saratoga-Sunnyvale Road, and the replacement of the culvert underneath Saratoga-Sunnyvale Road.

In addition to the project's flood-protection value, the district used natural flood protection solutions, avoiding concrete channels and flood walls whenever possible, and planted native trees, shrubs and perennials on two-thirds of an acre along the creek.

Construction along the Union Pacific Railroad bridge

This project now protects 400 parcels in Saratoga, Cupertino and San Jose from a 1 percent flood and prevents potential flood damages estimated at $11 million. In January 2012, staff submitted a Letter of Map Revision application to Federal Emergency Management Agency to revise the Flood Insurance Rate Map for the Calabazas Creek community. FEMA approval is expected in late 2012 and could lower the cost of flood insurance for homes in the project area.

Second phase of Lower Silver Creek project

Construction continued on the second phase of channel improvements along the 1.3 mile stretch of Lower Silver Creek, from I-680 to Story Road, in San Jose.

The six-phase flood protection project is a partnership with the Natural Resources Conservation Services and was awarded $20.2 million in federal economic stimulus funds as part of American Recovery and Reinvestment Act was named by Vice President Biden as one of the 100 Recovery Act Projects Changing America.

Lower Silver Creek Project is spotlighted in Vice President Biden's list of "100 Recovery Act Projects that are Changing America"

The construction work for the second phase of the project, which began in October 2010, is now approximately 80 percent complete. During FY 2011-12, construction was completed on box culverts along Jackson Avenue and on floodwalls and channel excavation and widening from downstream of Capitol Expressway to Story Road.

The third phase of the project, which stretches from Story Road to Moss Point Drive, began toward the end of FY 2011-12 and involves the construction of floodwalls on the westerly side of the creek. Work on this phase is expected to be completed in December 2014.

The construction work is expected to be completed by the end of 2014 and includes channel widening, installation and replacement of culverts and bridges and construction of floodwalls. When completed, the entire project, stretching 4.4 miles from Lower Silver Creek's confluence with Coyote Creek in downtown San Jose to Lake Cunningham, will provide increased flood protection to nearly 3,800 homes and businesses. It will also create 3.4 acres of urban wetland habitat, a low-flow channel for fish passage and 6.3 acres of riparian plants.

Coyote Ranch Road weir installation

In FY 2011-12 district maintenance crews replaced a stream gauge and installed a natural log weir on Coyote Creek downstream of Coyote Ranch Road.

The new stream gauge will improve the district's ability to monitor stream flows in Coyote Creek, which is critical to obtain accurate measurements for monitoring and predicting flood events. The log weir was added to provide a more stable and consistent flow at the gauge station.

The weir was constructed from two redwood logs. Downstream of the weir, a large pool was created to provide habitat for aquatic species and to allow migrating fish with enough vertical space to migrate upstream of the weir. Watershed staff also installed three large woody debris structures that will provide refuge for fish during high flow events. The wood structures installed in the creek serve two purposes. They provide mitigation for the district's Stream Maintenance Program and they also enhance the aquatic environment.

Coyote Creek log weir

Healthy Creeks and Ecosystems

Our county's creeks and streams provide habitat for numerous aquatic species, such as our flagship steelhead trout, while the surrounding watershed is home to native plants and animals. Maintaining a natural and healthy habitat is essential to the native species and the water quality of our streams. When water from those creeks and streams flows into the Bay, it also influences the quality of the Bay and ocean. Every person and every business have responsibilities and opportunities to help improve and preserve water quality.

This is why the water district has integrated environmental stewardship into every project and program.

By incorporating habitat restoration, enhancement and preservation of natural stream functions into our projects, the district has been able to make steady progress and see a cumulative positive difference over time.

In September 2012, the district released its third annual Stewardship Report for FY 2011-12. The report showcases environmental stewardship activities of the district, detailing the district's progress in preserving habitat, creating wetlands, reducing contaminants, keeping invasive species out of county water, creating open space and reducing greenhouse gas emissions. The report can be found on our website.

Keeping creeks and rivers clean

The district's efforts to improve watersheds, streams and natural resources encompass a wide range of activities including managing vegetation and removing trash from local streams, supporting additional trails and open space, and restoring wildlife habitat.

The district's countywide trash and graffiti removal program, or Good Neighbor Program operates year-round with small crews in each watershed performing periodic cleanups at hot spots and responding to trash and graffiti complaints. During the year, the district received 411 requests and completed 379 of those requests.

In FY 2011-12, the district:

- Removed approximately 1,976 cubic yards of trash/debris from county streams
- Removed 432,437 square feet of graffiti from 118 identified "hot spots"
- Repaired 3,706 linear feet of fences

In addition, the district plays a leadership role in preserving our local streams by organizing biannual volunteer creek cleanup events and managing the Adopt-A-Creek program, which has more than 100 partners as creek stewards.

Volunteer cleanup site along Coyote Creek

Every year, the district joins with Creek Connections Action Group and thousands of volunteers for two large-scale cleanup events – National River Cleanup Day and Coastal Cleanup Day. In FY 2011-12, the two clean up events resulted in:

- The involvement of 2,740 volunteers
- Cleanup events at 85 sites covering 130 creek miles
- The removal of 50,691 pounds of trash and 9,183 pounds of recyclables

Illegal encampments near waterways

Joint clean-up with the city

The physical conditions of homeless and illegal encampments exact a toll on Santa Clara County's natural environment, neighborhoods, and homeless individuals. These impacts are especially evident along several miles of local creeks and trails where the accumulation of trash and other debris from homeless and illegal encampments have damaged creeks and deteriorated water quality.

City of San José and district staff estimate there are approximately 400-600 homeless encampment residents along local creeks.

In May 2012, the district held a special session on illegal encampments in our waterways and invited a panel of experts from several other government agencies and community organizations. The panel discussed the tremendous environmental impacts that encampments have on our waterways and acknowledged that there are no easy solutions to this growing problem.

Respecting the challenging health and human services needs of the homeless who reside in our creeks, the board of directors recognized that regardless of whose jurisdiction these encampments are established in, this is a communitywide problem with action and solutions required by multiple jurisdictions. The outcome—the water district board unanimously directed staff to develop a comprehensive plan to address these complex issues and maintained its commitment to working collaboratively with other government agencies and community organizations to reduce illegal encampments along local creeks. Since then, joint cleanups with the city of San José have resumed.

Mercury remediation

Mercury, the most toxic of all natural metals, is a naturally occurring substance and can be found in rocks and soil. While it is not present in our drinking water, it can be found in waterways throughout our county. When the heavy metal sinks to the bottom of a waterway in harmless inorganic or elemental form and is then consumed by bacteria, it gets turned into methylmercury. This is the most dangerous form of mercury, because it can be absorbed by animal tissue.

The Guadalupe Watershed, which spans 170-square miles and contains six reservoirs and more than 80 miles of streams and rivers, is one of the area's biggest sources of mercury contamination. Mining operations like the New Almaden Mines, the largest mercury mine in North America, contaminated the lakes and riverbeds downstream and resulted in an estimated 6,500 tons of mercury seepage into the Guadalupe Watershed between 1850 and 1920. With large amounts of mercury present in the soil, this contaminant travels up the food chain and accumulates in fish, posing a possible risk to people who ingest them.

The water district has successfully been addressing mercury contamination in this watershed since 2000. The district is now addressing Almaden Lake, a 32-acre manmade lake that was formerly a gravel quarry pit. The lake has deteriorated from the influx of elemental mercury which has settled at its bottom and converted to methylmercury.

The district wants to clean up Almaden Lake, which is why in June 2012, Almaden Valley residents were invited to attend an open house to discuss the proposed project and provide input on some conceptual alternatives for addressing mercury at Almaden Lake. The project planning study report is expected to be complete in August 2013, with a project approval expected in August of 2014.

Governance, Transparency and Community Engagement

How has the water district cut costs?

In FY 2011-12 the water district and its employees negotiated new agreements which save $11.4 million over the next three years. Some of the cost reduction actions include:

- Since April 2012, employees have contributed 15 percent of their health care premiums.
- Union-represented employees received no cost-of-living adjustment in 2012.
- Employees contributes a total of 11 percent of their salary toward the California Public Employees Retirement System, CalPERS.

In addition, during the past four years the water district has:

- Reduced 92 postions, including seven top management jobs — nearly 11 percent of our workforce. This saves $14.7 million per year going forward.
- Reduced overtime by 51 percent compared to 2008, saving about $1.7 million per year.
- Reduced temporary staffing costs by 24 percent compared to 2008, saving more than $1 million per year.

More about the district

The water district has nine Board Advisory Committees, consisting of 120 community volunteers who advise the board of directors on a range of policy and operational matters. The meetings are open to the public, and the nine committees are:

- The Environmental Advisory Committee
- The Agricultural Water Advisory Committee
- The Landscape Advisory Committee
- Five geographically based Flood Protection and Watershed Advisory Committees
- The Santa Clara Valley Water Commission

As stewards of public funds, our top priority is to deliver needed water management services in an efficient and transparent way. That's why the district annually produces a Budget in Brief publication soon after the approval of our annual fiscal year budget.

The publication provides an overview of financial highlights, key deliverables and budget priorities for the coming year. This publication is available on our website so the public has a good understanding of our annual commitment to providing needed services cost-effectively.

In November of 2000, the voters of Santa Clara County supported a special parcel tax measure entitled the Clean, Safe Creeks and Natural Flood Protection Plan. The program promised four major outcomes to be completed over the course of a 15-year period.

To ensure accountability to the voters, the ballot measure also created an Independent Monitoring Committee to annually review the implementation of the intended results of the program and report its findings to the water district board. The Independent Monitoring Committee meetings are publicly noticed, open to the public and its annual report is available on the district's website.

Customer and community relations

Our goal is to effectively communicate the water district's programs, projects and challenges to the community in order to foster public engagement and promote transparency. Each year, the district goes to significant lengths to keep the community informed and involved. District staff wants project and facility neighbors to be aware of the work that we are doing and is often seeking input from them on projects that affect them.

In FY 2011-12, the district hosted 14 community events, including neighborhood

Coyote Pumping Plant open house

meetings and facility open houses. In addition, we regularly communicate with neighbors of district projects and facilities. We sent out 20 neighborhood notices of stream maintenance work and 10 capital project notices, to residents and businesses impacted by the project work. The district also sends an annual floodplain mailer to all of the households in the county that lie within a floodplain.

Each year, we collect hundreds of satisfaction surveys, usually after a project is completed. We also mail a biannual survey to our water treatment plant neighbors. The results of these surveys are compiled into a customer satisfaction index, rating us on communications, responsiveness and meeting expectations. Over the last three years, the index has remained very high, with the district scoring 85 points out of 100.

The district also carries out extensive outreach to well owners, providing them information on groundwater quality as well giving them an opportunity to formally protest any proposed increase in water charges. The formal protest process, which was consistent with Proposition 218, did not result in a majority protest from either North County or South County well owners.

To reach the county's very diverse community, the district offers a translated version of our major publications in Chinese, Spanish and Vietnamese. In FY 2011-12 the district also participated in 35 community events and festivals and sponsored 16 organizations.

In addition to hard copy mailings, the district shares project and event information by maintaining and consistently updating our website; as well as through printed and electronic newsletters, and social media.

Stay in touch!

To get eNews, e-mail info@valleywater.org

MAIL

/scvwd

/valleywater

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Water education

The district knows that youth are the environmental stewards and water resources managers of tomorrow, and has developed an in-depth education outreach program. In the FY 2011-12 school year, education program staff reached 693 classrooms and nearly 21,000 students. They guided 312 students on tours of the district's outdoor classrooms and participated in 18 special events, both district and community sponsored.

We also support the continuing professional development of teachers by providing free teacher training sessions. In FY 2011-12, 273 teachers benefited from district-led trainings on water and environmental education.

FY 2011-12 also marked the second year of the Youth Stewardship Commission, which included a tour of the water quality lab. All 20 of the students on the commission had served the previous year. Many participated in the job shadow experience again and some designed and implemented stewardship projects at their school.

Accessing the district

The district's website provides a wealth of information about every aspect of the district's activities, including district policies, water supply, water quality, conservation, flood protection, stream stewardship, capital and maintenance projects, board meetings, finances and contracts. The site logged nearly 640,000 page views in FY 2011-12; the greatest number of visitors clicked through to the careers page, followed by flood-safety tips.

The district also has an online customer service center, Access Valley Water, designed to facilitate our speedy response to your inquiries. In FY 2011-12, we managed more than 1,300 online requests from external customers and the average response time was less than three days.

Year in review | 2011 - 2012

July 2011

The water district completed a seismic stability study on Anderson Dam, confirming the preliminary findings that the dam is subject to significant damage if a large earthquake were to occur within two kilometers of the dam.

August

The Calabazas Creek Flood Protection Project is the first Clean, Safe Creeks and Natural Flood Protection project to be completed. Culvert work at Saratoga-Sunnyvale Road in late August marked the completion of the project.

September

The district hosted California Resources Secretary John Laird at a special board meeting to address key issues with the Sacramento-San Joaquin Delta, with a special focus on ecosystem restoration. During the meeting, Secretary Laird affirmed his support for the Bay Delta Conservation Plan (BDCP) and delivered a positive message about his confidence in the plan's ability to meet the co-equal goals of ecosystem restoration and water supply reliability.

October

The district launched a free program testing the well water of South County residents. The program was initiated because private well owners are not required to regularly test their water, and some residents could be drinking water that is high in nitrate, bacteria or other harmful contaminants. Armed with the knowledge of what's in their water, well owners can take action to improve their water quality. This pilot program allows the district to collect basic water quality data and will also help the district protect the Valley's groundwater resources.

Protect your health. Let us test your drinking water—for free.

November

The board of directors adopted new policy language to support fluoridation at each of the district's three water treatment plants. The board also established a board sub-committee to work with staff to move forward with implementation.

December

The California Department of Water Resources awarded $25 million in Proposition 1E funding to the Lower Silver Creek Flood Protection Project. This is in addition to the $20.7 million in federal stimulus funding that the project has received. As a result, the project, which extends from I-680 to Lake Cunningham in east San José, can be completed by 2014.

Santa Clara Valley Water District

January

The board of directors unanimously elected District 4 representative, Linda J. LeZotte, to serve as board chair for 2012. Director LeZotte was elected in November 2010 to represent District 4, which includes the City of Campbell, portions of Willow Glen and the Cambrian, North Almaden Valley and Blossom Hill areas of San José.

March

The water district celebrated National Groundwater Awareness Week by hosting its first annual headquarters open house. The casual event provided the general public and neighbors with insight on the various aspects of water delivery, water treatment, water conservation, water supply, flood protection and environmental stewardship.

National Ground Water Awareness Week is March 6-12, and the district encourages residents to take time to learn how important our supply of groundwater is to maintaining the quality of life and economy of this valley.

May

National River Cleanup Day resulted in the collection of some strange and unusual items, such as, a power sander, bus stop sign, rusted metal safe, Halloween prop, chandelier, Christmas tree, set of Cinderella party masks, toilets, complete fireplace set, doll, part of a fiberglass boat, and more than 200 golf balls.

February

The district hosted its 20th Annual Water Efficient Landscape Workshop. The district offers the landscape workshop series to Santa Clara County residents each spring. These free workshops cover practical information such as water-saving garden design, plant selection and landscape maintenance. The classes are taught by experts in horticulture and landscape design.

April

Several water district employees helped organize a water fair for inner city high school students as part of the spring conference of the California-Nevada Section of the American Water Works Association in Santa Clara. Almost 80 students participated in the all-day fair, which introduced them to career possibilities that exist within the water industry. Staff recruited the participants through the Central County Occupational Center, which provides career-technical education for high school students in six local school districts.

June 2012

The State Coastal Conservancy, the Santa Clara Valley Water District, and the U.S. Army Corps of Engineers, who are all partnering in the Shoreline Study, invited the public to join in the discussion about how to determine a balanced solution for flood risk management and ecosystem restoration in the Alviso area, and to assess the possibility of securing federal funding for such actions. The Shoreline Study is being conducted in close coordination with the South Bay Salt Pond Restoration Project.

Financial Summary

(Budgetary Basis)

Water Utility Enterprise Fund

(includes state water project fund)

Total Revenues: $181 million

Watershed Funds

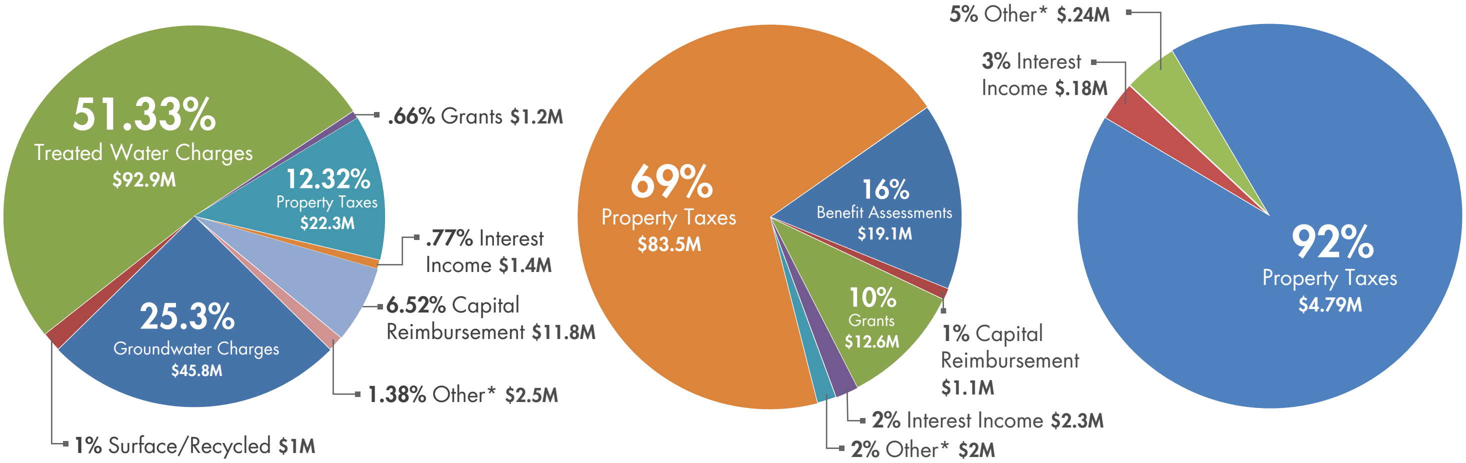
(includes Watersheds and Clean, Safe Creeks)

Total Revenues: $121 million

General and Internal Service Funds

(Gross $55.1 million)

Total Revenues: $5.21 million



The district receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from ad valorem property taxes; Clean, Safe Creeks and Natural Flood Protection special parcel tax; benefit assessments that support financing for flood protection projects; interest earnings, cost-sharing agreements and grants.

Water Utility Enterprise Fund Revenue bonds are rated Aa1 by Moody's and AA by Standard & Poor's
The Watershed Certificates of Participation series is rated Aa1 by Moody's and AA+ by Standard & Poor's.

**Others include Federal/State Funding, inter-governmental funds, and other non-operating revenues.*

Water Utility Enterprise Fund

(includes state water project fund)

Total Expenses: $193.7 million

Watershed Funds

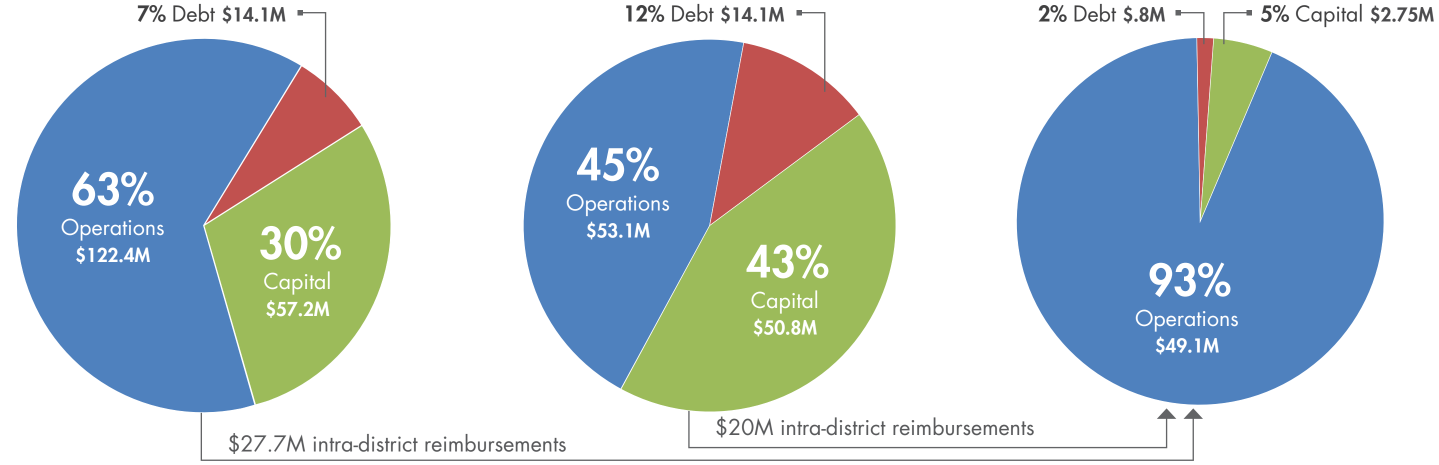
(includes Watersheds and Clean, Safe Creeks)

Total Expenditures: $118.1 million

General and Internal Service Funds

(Gross $55.4 million)

Total Expenditures: $1 million



The data above shows expenditures of each of our business areas for projects and programs that benefit the communities of Santa Clara County. Capital construction projects, debt and intra-district reimbursements are highlighted for each area. Intra-district reimbursements are overhead costs charged to projects for support services such as human resources, IT or legal and financial services.

Two-Year Comparative Changes in Net Assets
Fiscal Year Ending June 30, 2012

(Dollars in Thousands) (Accrual Basis)

	Governmental Activities[1]		Water Utility Enterprise Fund		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Revenues						
Program revenues:						
Charges for services	$ -	$ -	$ 141,783	$ 121,347	$ 141,783	$ 121,347
Operating grants and contributions			1,111	1,458	1,111	1,458
Capital grants and contributions	32,611	38,578	11,803	10,443	44,414	49,021
General revenues						
Property taxes	88,247	86,217	22,327	23,181	110,574	109,398
Investment earnings	2,253	3,337	1,082	1,779	3,335	5,116
Miscellaneous	2,453	2,189	2,573	1,575	5,026	3,764
Total revenues	125,564	130,321	180,679	159,783	306,243	290,104
Expenses						
General fund	5,408	9,954	-	-	5,408	9,954
Watersheds	50,292	54,562	-	-	50,292	54,562
Interest on long-term debt	7,034	7,476	-	-	7,034	7,476
Water enterprise	-	-	158,888	155,389	158,888	155,389
Total expenses	62,734	71,992	158,888	155,389	221,622	227,381
Increase in net assets						
before transfers of funds	62,830	58,329	21,791	4,394	84,621	62,723
Transfers of funds	(3,281)	(2,811)	3,281	2,811	-	-
Increase in net assets	59,549	55,518	25,072	7,205	84,621	62,723
Net assets, beginning	1,213,979	1,158,461	644,042	636,837	1,858,021	1,795,298
Net assets, ending	$ 1,273,528	$ 1,213,979	$ 669,114	$ 644,042	$ 1,942,642	$ 1,858,021

Notes:

[1] *Governmental includes General Fund, Watershed, Clean Safe Creek, Debt Service, and Internal Service Funds*

Santa Clara Valley
Water District

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686
Phone: (408) 265-2600
Fax: (408) 266-0271
www.valleywater.org

Cover photo: 1963 flooding event at the Saratoga-Sunnyvale Road Bridge over Calabazas Creek

Cover photo inset: Completion of the Saratoga-Sunnyvale Road Bridge over Calabazas Creek

Back cover photo inset: Ribbon cutting at the completion ceremony of the Saratoga-Sunnyvale Road Bridge over Calabazas Creek

For more information, scan the QR code to access us on valleywater.org.

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